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THE AGRICULTURAL SITUATION

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,
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SEASON GETTING UNDER WAY

The dominant item, from farmers' standpoint, continues to be the unfavorable start-off of the season. Although a little lost time has been made up, the season is still late except on the Pacific coast. The work of getting in the crops has gone forward under irritating and expensive handicaps. Dry weather is still a serious matter in the Southeast, in the northern Wheat Belt, and in portions of the Northwest, while it has been unduly wet in the Southwest. Meadows and farm pastures are generally backward, the average condition last month having been rated as the poorest in many years. Corn and cotton are both finally in the ground, the former coming up to fairly good stands through the central States but cotton looking decidedly spotted. A late spring does not necessarily mean an unproductive season, however.

Wheat harvest will be under way within the month in the Southwest and in the Pacific Northwest, the crop being unusually advanced in the latter territory. Forecasts based upon conditions last month suggest a winter wheat crop this year of 549 million bushels or about 150 millions more than last year. The indicated increase is in hard winter wheat. Notwithstanding that reserves will be low when the new crop comes to market, such increase in our crop over last year would seem likely to put our wheat prices on substantially an export basis.

The hog market last month reached the highest point in six years. The price advance was the greatest during any May in 25 years, except for certain wartime inflation years. With the supply of hogs in sight for slaughter no greater than last year, with pork products in storage 27 per cent or equivalent to 1 1/2 million hogs less than last year, hogs are in exceedingly strong market position for the next five months. The hog-corn price ratio is near the highest on record. It is distinctly time now for hog producers to bear in mind the violent downswing of prices that has been caused, in times past, by over-expansion under similar price relationships.

Stocks in storage are always rather significant at this time of year in relation to the new season's production. Wheat reserves are moderate. Cotton stocks are probably the heaviest since 1921. Butter stocks in cold storage on May 1 were four times last year's quantity. But eggs were a million cases less than last year.

KEY REGIONS AT A GLANCE

THE EAST - Season week to ten days late. Spring crops finally planted but doing little by reason of cold nights, etc. Meadows backward and pastures poor. Fruit late in blossoming but promises well. Dairy situation reasonably favorable.

THE SOUTH - Been very dry in East and very wet in West. Wheat and oat harvest under way. Much replanting of cotton; stands very irregular. Cotton chopping in progress, cultivation fair. Season several days late. General conditions fair but sentiment perhaps less optimistic than last spring.

CORN BELT - Corn planted but handicapped by backward weather and drought in many local areas. Winter grain headed; early wheat looking fairly good but late wheat poor. "Fourteen dollar hogs" stimulating better sentiment though not having much practical effect in income. Hog market outlook considered strong for balance of year but far-sighted men concerned over possibility of over-expansion and bad slump year or more hence.

WHEAT BELT - Too dry. Lack of rain serious in western Kansas and in much of spring wheat territory. Winter wheat ripening in south, harvesting will begin during the month. Outlook for materially larger hard winter wheat crop than last year. Grain made good progress in Nebraska, fairly well headed but rather short.

RANGE COUNTRY - General conditions excellent except for drought in eastern Montana and dry spots elsewhere. Stock in good shape and ranges good. Sheep feeders cautious about contracts for this next season. Irrigated crops looking well. Cutting alfalfa; wheat well headed; water generally adequate.

PACIFIC COAST - Season well along. Too dry in wheat territory of north, though grain is well advanced and harvest of winter wheat will begin shortly. Fruit outlook good; cool weather and showers in north unfavorable to strawberries, early cherries, etc. Fruit, vegetables and cotton doing well in south. Continue picking Valencia oranges.

WINTER WHEAT OUTLOOK

DIVISION	Acreage 1926		Condition May 1			Production in Thousands of Bushels		
	Per Cent Aban- doned	Acres Remaining To Be Harvested	1926 P.ct.	1925 P.ct.	Ten- Year Av. P.ct.	Indicated by Condition May 1, 1926	Harvested	
							1925 Ten-Year Av. 1916-1925	
North Atlantic	3.9	1,498,000	77.8	85.4	87.3	24,379	29,788	32,984
North Central	6.9	21,573,000	80.2	77.3	82.1	301,777	238,515	331,606
South Atlantic	2.5	2,056,000	82.0	84.6	87.1	25,405	29,512	36,033
South Central	1.5	6,931,000	94.0	61.1	80.5	97,442	43,283	74,318
Western	7.2	5,027,000	90.1	83.0	88.0	99,905	57,388	82,720
U. S. Total	5.6	37,085,000	84.0	77.0	83.6	548,908	398,486	557,662

The abandonment of winter wheat acreage to May 1 estimated to be 5.6 per cent, or 2,216,000 acres, of the 39,301,000 acres sown last fall, is much below the 10-year average of 13 per cent. On account of unfavorable weather last fall, a large fraction of the acreage was late-sown. Owing to the mild winter the abandonment was largely confined to this late sown acreage. Drought was a cause of abandonment in the Northwest. States with large abandonment are South Dakota 28 per cent, Montana 20 per cent, and Colorado 14 per cent.

The condition of the crop has been held below the average on account of the late spring in the States north of North Carolina and in most of the North Central region east of the Mississippi River, and on account of drought in a portion of the Northwest. Condition higher than average is reported from the Southwest, from the leading wheat State, Kansas, from the West including the Pacific coast, and from a large portion of the Southeast of the Mississippi River. The condition in Texas was 96 per cent, Oklahoma 94 per cent, Washington 91 per cent, and Oregon 97 per cent.

AVERAGE PRICES OF FARM PRODUCTS RECEIVED BY PRODUCERS

May 15, 1926.

Actual prices received by producers at local farm markets as reported to the Division of Crop and Livestock Estimates of this Bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

	5-yr. Av. Aug. 1909- July, 1914	May Average 1910-1914	May 1925	Apr. 1926	May 1926
Cotton, per lb.	¢ 12.4	12.7	23.0	16.6	16.0
Corn, per bu.	¢ 64.2	66.2	107.5	65.7	67.1
Wheat, per bu.	¢ 88.4	90.3	149.1	142.2	142.1
Hay, per ton	\$ 11.87	12.28	12.17	12.78	13.12
Potatoes, per bu.	¢ 69.7	69.5	70.6	270.5	244.8
Oats, per bu.	¢ 39.9	41.5	45.4	39.4	39.5
Beef cattle, per 100 lbs.	\$ 5.22	5.50	6.48	6.66	6.57
Hogs, per 100 lbs.	\$ 7.23	7.23	10.78	11.49	11.97
Eggs, per dozen	¢ 21.5	16.7	24.8	24.8	25.2
Butter, per lb.	¢ 25.5	24.1	39.5	41.1	40.1
Butterfat, per lb.	¢ ----	----	40.3	40.4	39.1
Wool, per lb.	¢ 17.7	17.8	36.9	33.2	32.0
Veal calves, per 100 lbs.	\$ 6.75	6.59	8.35	9.45	8.92
Lambs, per 100 lbs.	\$ 5.91	6.46	11.99	11.32	11.78
Horses	\$142.00	144.00	82.00	84.00	84.00

The farm price of hogs increased from \$11.49 to \$11.97 per cwt. from April 15 to May 15, 1926. This is the highest hog price since last August and it comes at the time of year when lower prices are usually expected. The farm price of hogs for the United States reflects the strong upward movement in the market price of hogs at the central markets which has been underway since the first part of April. The average price of "packer and shipper droves" at Chicago has increased from \$11.86 for the week of April 3 to \$13.85 for the week of May 22. With the exception of the week of March 21, 1925, this is the highest average price since the war period. The farm price of hogs on May 15 was 11 per cent above the farm price a year ago.

The farm prices of beef cattle and veal calves were lower on May 15 than a month ago, while sheep and lamb prices were higher. Wool and butter prices continued downward; chicken and egg prices were higher.

For the first time in 9 months the farm price of corn was higher than for the previous month. The farm price of cotton decreased about 4 per cent from April 1 to May 15; potato prices fell off about 10 per cent from their exceedingly high April level.

PRICE INDEXES FOR APRIL, 1926.

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (latter shown to nearest whole number.) Shows year ago, and latest available month:

Farm Products

(Prices at the farm Aug. 1909 - July 1914 = 100.)

	<u>April</u> <u>1925</u>	<u>March</u> <u>1926</u>	<u>April</u> <u>1926</u>	<u>Month</u> <u>Trend</u>
Cotton	191	133	134	Higher
Corn	162	104	102	Lower
Wheat	159	165	161	Lower
Hay	105	109	108	Lower
Potatoes	101	324	388	Higher
Beef cattle	126	128	128	Unchanged
Hogs	161	161	159	Lower
Eggs	113	112	115	Higher
Butter	156	164	161	Lower
Wool	229	195	187	Lower

Commodity Groups

(Wholesale Prices; 1910-1914 = 100.) 1/

	<u>April</u> <u>1925</u>	<u>March</u> <u>1926</u>	<u>April</u> <u>1926</u>	<u>Month</u> <u>Trend</u>
Farm products	153	144	145	Higher
Food, etc.	153	150	152	Higher
Cloths & clothing	194	184	180	Lower
Fuel & lighting	196	203	202	Lower
Metal & met. products	138	137	136	Lower
Bldg. materials	180	181	178	Lower
Chemicals, etc.	132	130	129	Lower
House-furnishing goods	170	170	169	Lower
<u>ALL COMMODITIES</u>	159	154	154	Unchanged

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

RELATIVE PURCHASING POWER

(At April 1926 Farm Prices)

Aug. 1909 - July, 1914 = 100

<u>In terms of:</u>	<u>Of a Unit of:</u>				
	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	87	67	105	70	252
Cloths, etc.	74	57	89	60	215
Fuel, etc.	66	51	80	53	192
Metals, etc.	99	75	119	79	286
Bldg. Materials	75	57	90	60	218
House-furnishing goods	79	61	95	64	230

	<u>Peef Cattle</u>	<u>Hogs</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	83	103	75	105	121
Cloths, etc.	71	88	64	89	103
Fuel, etc.	63	79	57	80	92
Metals, etc	94	117	85	119	138
Bldg. materials	72	89	65	97	105
House-furnishing goods	76	94	68	95	110

Among the important crops, potatoes alone continued in spectacular position as to price relationships during April. The other cash crops stood at prices which put them not far from a parity of exchange per unit. The feed crops sell at serious disadvantage.

Among the livestock products, wool, butter and hogs continue in fairly good exchange position while cattle and eggs are below par but improving.

The general index of purchasing power of farm products, in terms of non-agricultural commodities, rose one point to 88 during April.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1925 <u>Apr.</u>	1926 <u>Mar.</u>	1926 <u>Apr.</u>	Month's <u>Trend</u>
<u>PRODUCTION</u>				
Pig iron daily (Thou. tons)	109	111	115	Increase
Bituminous coal (Millions tons)	34	46	40	Decrease
Automobiles shipped (Thou. carloads)	5	74	70	Decrease
<u>CONSUMPTION</u>				
Cotton by mills (Thou. bales)	597	635	576	Decrease
Unfilled orders Steel Corp. (Thou. T.)	4,447	4,380	3,868	Decrease
Building contracts (Millions dollars)	496	490	472	Decrease
Hogs slaughtered (Thousands)	2,039	2,144	1,871	Decrease
Cattle " "	1,163	1,221	1,113	Decrease
Sheep " "	833	1,001	801	Decrease
<u>MOVEMENTS</u>				
Bank clearings (N.Y.) (Billions dollars)	22	28	26	Decrease
Car loadings (Thousands)	3,727	3,877	3,796	Decrease
Mail order sales (Millions dollars)	36	40	39	Decrease
Men employed, N. Y. State Factories (Thou.)	502	517	509	Decrease
Av. price 25 indus. stocks (Dollars)	135	158	145	Decrease
Interest rate (4-6 mo. paper, N. Y.)	3.97	4.28	4.20	Decrease
Retail Food Price Index (Dept. Labor)*	151	160	162	Higher
Wholesale Price Index (Dept. Labor)*	156	152	151	Lower

The developments of the month have not materially changed the complexion of business. If anything, there appears to be slight drift toward lowered activity, evidenced by slowly shrinking textile operations, building contracts, forward orders for steel, bank clearings, car loadings, and general price level. As the Cleveland Trust Company "Bulletin" remarks: "It now seems probable that the first third of 1926 will prove to have been its busiest third." However the current picture of industrial conditions continues one of activity and prosperity.

Data on this page, excepting livestock slaughter and price indexes, are from the "Survey of current Business", Bureau of the Census, U. S. Department of Commerce.

*1913 = 100

GENERAL TREND OF WAGES AND PRICES

1910-1914 = 100

<u>Year and Month</u>	<u>General Wage Level</u>	<u>Farm Wages 2/</u>	<u>Retail Price of Food 1/</u>	<u>Wholesale Price of Food 1/</u>	<u>Wholesale Price All Commodities</u>
	N.Y. factory workers				Bureau of Labor Statistics
1910	---	97	96	100	103
1911	---	97	95	96	95
1912	---	101	101	103	101
1913	---	104	103	99	102
1914 (June)	100	101	106	101	100
1915	101	102	104	104	103
1916	114	112	117	120	129
1917	129	140	151	166	180
1918	160	176	174	187	198
1919	185	206	192	205	210
1920	222	239	210	218	230
1921	203	150	158	143	150
1922	197	146	146	137	152
1923	214	166	151	143	156
1924	218	166	150	143	152
1925	223	168	160	156	162
<u>1925</u>					
January	223	156	159	159	163
February	220	---	156	156	164
March	224	---	156	158	164
April	218	163	155	153	159
May	221	---	156	152	158
June	220	---	160	154	160
July	220	170	165	156	163
August	222	---	165	158	163
September	223	---	164	159	163
October	225	173	167	157	160
November	226	---	172	159	160
December	229	---	171	156	159
<u>1926</u>					
January	229	159	169	155	159
February	225	---	166	152	158
March	229	---	165	150	154
April	227	166	167	152	154

- 1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.
 2/ Index based on both monthly and daily wages.

NEW INDEX OF GENERAL TREND OF PRICES
On Five-Year Base, August, 1909 - July, 1914 = 100

Year and Month	Index numbers of farm prices							Wholesale Prices of Non-Agricultural Commodities 1/	Relative power of Farmer's Product 2/
	Grains	Fruits and Vegetables	Meat Animals	Dairy & Poultry Products	Cotton and Cottonseed	Unclassified	All Groups 30 Items		
1910	104	91	103	101	113	102	103	102	101
1911	96	106	87	95	01	103	95	96	99
1912	106	110	95	103	87	106	99	100	99
1913	92	92	108	100	97	94	100	105	95
1914	103	100	112	101	85	95	102	97	105
1915	120	83	104	99	78	95	100	101	99
1916	126	123	120	106	119	100	117	138	85
1917	217	202	173	133	187	130	176	182	97
1918	226	162	202	160	245	157	200	188	107
1919	231	189	206	182	247	162	209	199	105
1920	231	249	173	197	248	152	205	241	85
1921	112	148	108	151	101	90	116	167	69
1922	105	152	113	135	156	94	124	168	74
1923	114	136	106	147	216	109	135	171	79
1924	129	124	109	137	211	100	134	162	83
1925	156	160	139	143	177	92	147	165	89
1925									
Jan.	172	122	123	154	182	94	146	165	38
Feb.	178	131	126	142	183	96	146	167	88
Mar.	172	138	145	134	195	94	151	165	91
Apr.	152	146	146	131	189	94	147	162	90
May	159	162	139	132	184	87	146	161	90
June	164	184	139	132	183	86	148	163	91
July	152	178	148	134	186	88	149	164	91
Aug.	157	178	149	139	186	96	152	164	93
Sept.	148	142	143	141	178	90	144	163	88
Oct.	135	152	141	154	171	90	143	164	87
Nov.	138	194	136	162	144	95	144	166	87
Dec.	140	194	136	163	139	92	143	165	87
1926									
Jan.	143	214	140	153	138	87	143	165	87
Feb.	140	218	146	144	142	87	143	164	87
Mar.	133	220	147	137	133	85	140	162	87
Apr.	131	253	146	133	135	83	140	160	88

1/ Computed by Bureau of Labor Statistics from wholesale prices of all commodities except those from United States farms. 1910-1914 = 100. 2/ The value of a unit of the farmer's product in exchange for non-agricultural products at wholesale prices, compared with pre-war values. Obtained by dividing index of all groups (30 items) by index of wholesale prices of non-agricultural products.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1920 Total	332,314	210,332	42,121	22,197	23,538	402,755
1921 "	435,606	340,908	41,101	19,787	24,168	468,150
1922 "	413,106	378,598	44,068	23,218	22,364	526,714
1923 "	386,430	271,858	55,330	23,211	22,025	545,380
1924 "	482,007	278,719	55,414	23,695	22,201	587,477
1925 "	34,381	223,604	43,929	24,067	22,100	574,489
1920 Apr.	13,781	10,091	3,024	1,557	1,466	23,221
1921 "	23,739	11,192	3,230	1,494	1,677	32,367
1922 "	12,544	13,188	3,067	1,470	1,227	34,835
1923 "	21,785	16,836	4,318	1,670	1,447	40,464
1924 "	10,374	17,926	4,374	1,751	1,348	42,141
1925 Jan.	23,247	35,820	6,105	1,869	1,467	37,781
" Feb.	18,493	20,833	4,558	1,530	1,388	35,181
" Mar.	16,925	23,868	3,528	1,860	1,504	40,725
" Apr.	10,023	9,810	3,247	1,827	1,541	42,141
" May	17,896	11,935	3,283	1,737	1,689	56,838
" June	20,465	17,381	3,507	1,746	1,603	74,171
" July	37,919	9,662	2,798	1,970	1,699	69,970
" Aug.	41,928	17,488	2,549	2,245	2,064	57,556
" Sept.	57,756	12,889	2,741	2,157	2,627	45,005
" Oct.	34,111	12,187	3,390	2,789	3,198	43,467
" Nov.	33,948	19,144	3,844	2,282	1,712	35,455
" Dec.	33,670	32,587	4,380	2,056	1,608	36,199
1926 Jan.	19,076	28,268	4,304	1,840	1,548	39,424
" Feb.	15,923	25,718	3,372	1,551	1,486	39,507
" Mar.	15,052	20,080	3,579	1,811	1,695	46,077
" Apr.	13,458	12,589	3,135	1,711	1,502	45,501

More grain and butter moved to market during April than in same month last year. But the opposite was the case with meat animals.

Market receipts of hogs considerably below corresponding month of 1923 and 1924 while with sheep and lambs the opposite was true. Production situation presumably reflected in each case.

THE TREND OF EXPORT MOVEMENT

Compiled from Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT ^{1/} including flour	TOBACCO (Leaf)	BACON** HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1920 Total	311,601	467,662	821,922	612,250	1,043,500	6,111
1921 "	359,021	515,353	647,680	868,942	786,280	6,385
1922 "	235,307	430,908	631,452	766,950	733,832	6,015
1923 "	175,190	474,500	828,890	1,035,382	958,472	5,224
1924 "	241,454	546,555	637,980	944,095	729,832	6,653
1925 "	138,786	468,469	467,459	688,829	547,361	8,362
1920 April	14,146	42,386	39,996	40,758	65,648	540
1921 "	25,120	43,320	57,178	53,275	67,658	315
1922 "	10,698	40,190	43,254	42,459	48,828	587
1923 "	10,428	40,141	68,528	85,475	77,963	257
1924 "	8,624	59,019	57,546	73,307	64,467	311
1925 January	13,126	35,448	56,169	78,440	55,705	1,052
" February	11,800	23,806	48,041	60,363	55,438	792
" March	16,480	32,477	53,853	63,281	62,158	708
" April	12,912	30,519	33,413	44,447	39,303	440
" May	13,114	22,415	33,475	71,135	38,977	314
" June	10,922	27,460	39,690	59,799	45,398	211
" July	8,932	39,037	35,472	49,414	40,990	198
" August	12,007	34,890	31,770	45,740	38,250	313
" September	13,152	50,677	32,900	62,646	40,230	750
" October	9,113	52,211	30,706	44,745	37,071	1,414
" November	8,796	51,154	31,693	39,979	37,304	1,196
" December	8,437	68,375	40,277	68,840	46,537	974
1926 January	5,587	46,891	46,654	76,670	53,833	735
" February	4,742	47,147	37,187	65,356	45,292	845
" March	7,039	36,167	34,133	64,259	40,641	512
" April	6,452	43,388	31,410	63,160	37,947	506

* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; fresh mutton and lamb.

** Includes Cumberland and Wiltshire sides.

Excludes linters.

1/ Wheat flour is converted on a basis of 4.7 bushels grain equal 1 barrel flour.

COLD STORAGE SITUATION

May 1 holdings (Shows nearest million, six figures omitted):

<u>Commodity</u>	<u>5-Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>May 1, 1926.</u>
Creamery butter, lbs.	5	4	17	17
American cheese, lbs.	18	26	38	36
Case eggs, cases	4,346*	4,872*	872*	3,717*
Total poultry, lbs.	62	83	73	53
Total beef, lbs.	88	96	71	60
Total pork, lbs.	812	814	627	605
Lard, lbs.	117	151	93	98
Lamb & mutton, lbs.	7,413*	1,998*	3,289*	2,392*
Total meats, lbs.	982	999	753	716

No material change in stocks of dairy products during April. Stocks of butter in storage four times last year's quantity and over three times the average - being almost double any previous May 1 figure.

Seasonal movement of eggs into storage. Stocks May 1 a million cases less than same date last year, shortage partly accounting for strength in egg prices in April. Movement into storage heavier than last year, however.

Total stocks pork and lard May 1 were 27 per cent below same date last year, decrease equivalent to about 1½ million hogs. Total stocks that date smallest in 11 years except for 1922.

* Thousands, or three figures, omitted.

THE DAIRY SITUATION

Several items stand out as stock is taken of the dairy situation just before the flush season opens. As usual at this time of the year, prospective production occupies the place of greatest interest and importance, particularly so because of developments which have occurred during recent weeks. A month ago, it was mentioned that production for the period January to April inclusive was apparently about 10 per cent above that of 1925. During the past 30 days, however, market receipts indicate that butter production for example is not increasing as rapidly from week to week as occurred last year, and on the whole, it appears that the 10 per cent increase mentioned a month ago as applying up to May 1 may be cut down to 6 per cent or less as the period is extended to June 1.

Another significant feature of the situation is revealed by reports of May 1 stocks of dairy products. Butter holdings in cold storage on May 1 amounted to 17,490,000 lbs., almost double any previous May 1 record. When considered in relation to normal peak holdings reached later in the year, this amount is not large, but it is of interest to note that holdings last year on May 1 were but 3,700,000 lbs., and that the May 1 five-year average is slightly less than 5,500,000 lbs. Butter stocks showed a slight net increase even during April, and the inward movement since May 1 at important storing centers has exceeded last year. It is quite likely that the June 1 report will show total butter holdings close to those of June 1 in 1924, which it will be remembered proved to be a record season. The two years, however, are not to be compared as to probable trends, because conditions are different. Canned milk stocks on May 1 were comparatively light for the season.

Price is another important feature as the heavy producing season draws near. Here again, comparisons with the last year or two do not serve as definite indications of what may happen this year, but it is nevertheless interesting to observe that during June of the 3 years just past, 92 score butter prices at New York averaged 39 cents, 41 1/2 cents and 42 1/2 cents respectively, and that the maximum range between high and low prices during June each of these years was not more than 2 1/2 cents. This year May closes with current butter prices at a level which will make a monthly average of approximately 40 1/2 cents, as compared with 42 1/2 cents last year. Cheese prices are approximately 4 cents below a year ago, but have been right along since early in the year. Fluid milk prices were dropped in many sections on May 1 and ordinarily not much change takes place after the summer schedule of retail prices is adopted, except where local surpluses are such that readjustment is necessary.

Considering the whole situation from the broader viewpoint, conditions are fairly good, at least they offer no apparent cause for undue concern. A month ago it was said conditions might be better. Now it may be said they might be worse.

L. M. DAVIS

Division of Dairy and Poultry Products, B.A.E.

DAIRY SITUATION
(Thousand lbs., i.e., 000 omitted)
BUTTER SUMMARY

	APRIL			JANUARY TO APRIL INC.		
	1926	1925	% Change	1926	1925	% Change
Production (1)						
Creamery	103,141	97,979	+ 5.3	370,657	342,270	+ 8.3
Farm	44,370	45,135	- 1.7	151,844	154,462	- 1.7
Net imports	188 Ex.	359	--	1,685	1,728	--
In storage (1st)	17,392	10,875	+ 59.9	52,785	65,694	- 19.7
In storage (end)	17,490	3,739	+367.8	17,490	3,739	+367.8
Trade output	147,225	150,609	- 2.3	559,481	560,415	- 0.2
Milk equivalent	3,091,725	3,162,789	- 2.3	11,749,101	11,768,715	- 0.2
Receipts 4 mkts	51,340	47,242	+ 8.7	193,734	176,250	+ 9.9

CHEESE SUMMARY

Production (2)	33,830	30,643	+ 10.4	117,079	104,391	+ 12.2
Net imports	4,525	3,754	--	15,979	11,906	--
In storage (1st)	51,285	40,480	+ 26.7	76,649	67,558	+ 13.5
In storage (end)	47,442	39,057	+ 21.5	47,442	39,037	+ 21.5
Trade output	42,198	35,840	+ 17.7	162,265	144,818	+ 12.0
Milk equivalent	421,980	358,400	+ 17.7	1,622,650	1,448,180	+ 12.0
Receipts Wisconsin warehouses	22,587	20,452	+ 10.4	76,171	67,875	+ 12.2

CONDENSED AND EVAPORATED MILK SUMMARY

Production (3)	141,246	134,688	+ 4.9	470,601	436,808	+ 7.7
Net exports	12,510	12,211	--	41,591	38,619	--
In Mfgs' hands (1st)	115,417	110,565	+ 4.4	156,272	123,428	+ 26.6
In Mfgs' hands (end)	128,268	140,713	- 8.8	128,268	140,713	- 8.8
Trade output	115,885	92,329	+ 25.5	457,014	380,904	+ 20.0
Milk equivalent	289,713	230,823	+ 25.5	1,142,535	952,260	+ 20.0

TOTAL MILK EQUIVALENT - BUTTER, CHEESE AND CONDENSED MILK

Production	3,789,146	3,648,544	+ 3.9	13,319,814	12,567,302	+ 6.0
Trade output	3,803,418	3,752,012	+ 1.4	14,514,286	14,169,155	+ 2.4

Bulk only

STOCKS OF DRY MILK

Skim milk/ (Stocks May.1)	5,957	4,849		1/1/26	4,399	1/1/25	6,735
Dry milk (Net)	248 Im.	157 Im.		591 Im.		503 Im.	

(1) Estimated from Receipts on 4 principal markets.

(2) Estimated from Receipts at Wisconsin Warehouses.

(3) Compiled from special reports to this Bureau.

T. R. Pirtle,
Division of Dairy and Poultry Products,
B. A. E.

THE EGG AND POULTRY MARKET SITUATION

The egg market, during May, has as a general thing occupied a fairly steady position. With the exception of a momentary weakening at the opening of the month, following immediately upon the close of the April futures deal, and a temporary firmness subsequent to the release of the cold storage report near the middle of the month, the situation has been marked by the absence of changes in the price level. Market quotations during May have held fairly close to those of a year ago, but at the close are slightly below those of last May. Last year a gain of nearly 2 cents was consummated during the month whereas this year prices have remained just about the same from opening to close.

At this season the storage deal is of primary interest on the egg markets. Holdings on May 1, in the entire country, were found to be 3,717,000 cases, a shortage of more than 1,000,000 cases from the holdings of a year previous. It was this shortage which added considerable strength for a time at the middle of the month when the report was released. While eggs have continued to go into storage, and most of the time in May, at a rate exceeding that of the previous year, sentiment yet remains unsettled and there is no unanimity of opinion among dealers in eggs.

The shortage in storage holdings certainly indicates a firm situation from that angle alone. But when it is considered that receipts during May have reversed the tendency of March and April, and are again coming in heavier than in 1925, and that storage increases have been greater than last May, much of the firmness caused by the storage shortage disappears. Examination of records of previous years reveals several instances where extremely low holdings on May 1 were followed by increases during May and June which brought the peak holdings for the year to a high point. Market receipts during June will then be of the greatest importance and interest to the storer of eggs, and will determine whether past and present price levels were justified, or whether those who are more sceptical of the situation are appraising the market rightly.

Poultry markets have been working gradually to a lower level. Supplies of live and fresh killed goods have been ample, with the possible exception of fryers, and demand has not been very active. Demand for live birds was especially irregular, not an unusual thing at this season. Frozen poultry stocks are considerably lighter than a year ago, but due to the heavier supplies of fresh killed stock were not moving out of storage as rapidly as last May. Due to the light supplies in storage, prices earlier in the year were forced to a level where demand was somewhat restricted and the lowering of prices which occurred during May was a natural consequence to the lessening in demand. However, at the close of the month, the poultry situation is still regarded as moderately steady with the light storage stocks compensating for the ample fresh arrivals and the irregular demand.

C. E. ECKLES

Division of Dairy and Poultry Products, B.A.E.

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POULTRY AND EGG SITUATION.
(Thousands, i.e. 000 omitted)
Stocks in Storage - May 1, 1926 - United States

	Shell eggs (Cases)	Frozen eggs (Pounds)	Dressed poultry (Pounds)
1926	3,717	25,656	52,776
1925	4,872	19,579	82,732
Change	-1,155	+ 6,077	- 29,956
Per cent	- 23.7	+ 31.0	- 36.2
% change from 5-yr. av.	- 14.5	+ 39.3	- 14.3

Imports and Exports of Poultry and Eggs. - Jan. 1 - Apr. 30, 1926.

	Imports	1926	1925	Exports	1926	1925
Shell eggs (dozens)		91	396		12,419	8,632
Whole eggs, dried (Lbs.)		100	201)			
Whole eggs, frozen (Lbs.)		799	1,945)			
Yolks, dried (Lbs.)		744	214)			
Yolks, frozen (Lbs.)		823	702)	(1)	228	(1) 24
Egg albumen, dried (Lbs.)		761	407)			
Egg albumen, frozen, prepared or preserved (Lbs.)		627	375)			
Live poultry, (Lbs.)		166	54		226	225
Dressed poultry, (Lbs.)		1,849	711	(2)	2,220	(2) 4,002
Poultry prepared in any manner (Lbs.)		226	231			

(1) Includes all forms of frozen & dried eggs. (2) Includes game.

Receipts and Apparent Trade Output at Four Markets - Eggs (Cases)

	Receipts	April Net storage Movement	App. trade Output	Receipts	Jan. 1 - Apr. 30 Net storage Movement	App. trade Output
1926	2,012	+ 1,037	975	5,549	+ 333	5,216
1925	2,479	+ 1,431	1,048	5,943	+ 1,089	4,854
Change	- 467		- 73	- 394		+ 362
Per cent	- 18.8		- 7.0	- 6.6		+ 7.5

Receipts and Apparent Trade Output at Four Markets - Dressed Poultry (Lbs.)

	Receipts	April Net storage Movement	App. trade output	Receipts	Jan. 1 - Apr. 30 Net storage Movement	App. trade output
1926	13,809	- 13,359	27,168	75,850	- 36,187	112,037
1925	13,323	- 16,799	30,122	75,338	- 32,896	108,234
Change	+ 486		- 2,954	- 512		- 3,803
Per cent	+ 3.6		- 9.8	- .7		- 3.5

CONDITIONS IN COLORADO

In general, the middle of May finds Colorado with highly excellent soil and moisture conditions practically all over the State, in perhaps the best general average condition that has prevailed for a number of years.

There was a good precipitation in most sections except the northeast during April and good rains since the first of May, particularly about the 6th and 7th of May, that covered the drought areas of the east and north-east, putting the soil in excellent condition for the preparation and planting of spring crops. Winter wheat in that section had suffered so seriously during the dry period through the winter and early spring that much of it was beyond recovery, and it is difficult at this time to determine how well it will recuperate with the moisture supplies.

Winter wheat is in excellent condition in all other portions of the State, and spring grains, hay, and pastures are making rapid advancement in all sections. Conditions are favorable for good stands and a good start for sugar beets and all truck crops. Early potatoes have all been planted and many of the late potatoes are now being put into the ground; apparently there will be a large crop of pinto beans again this year, perhaps larger than last year. Conditions are good for an excellent start.

With mild temperatures and good pastures everywhere, livestock are in excellent condition. In nearly all sections they are now on the ranges. More than the usual amount of feed supplies are held over. Prices of all kinds of feeds have declined and in some sections much below the usual level.

Thus far, there have been no serious damaging frosts in any of the important sections, and prospects are for a good fruit crop.

Most of the sheep that have been on feed during the winter have been marketed and there is now talk of contracts for the coming season, though contracting thus far has been very limited. Feeders are cautious about paying the high prices asked. Marketing of wool in this State has thus far been rather slow, prices ranging from 30 to 35 cents. The cattle that have been on feed are now coming to market; the deal is considered unsatisfactory as it is not making the desirable profits, and in some cases losing money.

Money for financing farm operations is limited account of losses due to feeding operations. Late potatoes have declined in price from the high levels of a month ago. Most of the crop, however, is sold. Only supplies for local use yet remain. Generally speaking, all farm operations are very encouraging at the present time.

W. W. Putnam,

State Statistician, B. A. E.

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CONDITIONS IN TEXAS

Frequent and heavy rains and unseasonably low temperatures have not only retarded spring planting but have reacted unfavorably upon wholesale and retail sales in many lines of business. Planting of corn, cotton, and feed has been greatly delayed and much replanting was necessary. Whereas in usual years the peak of cotton planting is reached by April 16, this season finds every district with a considerable proportion of the crop not planted a month later. A period of favorable weather can measurably overcome this late start. Should last year's acreage be repeated and no greater yield result than the average of the past decade, Texas would raise upwards of 5,000,000 bales, while a good yield like that of 1912 would make a crop of over 7,000,000 bales.

Prospects are good for the largest crop of wheat, oats, and barley in years. The harvesting of oats began the middle of May. It was necessary for much of the rice crop to be mudded in and harvest will probably be later than usual this year. Feed crops are doing very well now. Grain sorghums are being planted where it was impracticable to get a stand of corn. Blackberry picking and canning has begun in the east Texas section, and the other fruit promises well there but not so good in other portions of the State. All livestock is doing well. Spring grass and weeds have enabled cattle to fatten rapidly and early grass cattle are filling a good demand for red meat.

Trade last May was affected by drought, this year by excessive moisture and a backward season. Savings deposits show an increase over 1925 and there is an increased demand for Federal Reserve Bank credit. Collections are slow and wholesalers find orders on a very conservative plane. Building permits and lumber and cement shipments continue on a high level. Drilling is active with many new oil and gas wells completed, but the price of gasoline was advanced during the month. Road machinery, trucks, binders, threshers, and hay machinery are in unusually good demand. Farm labor is again finding active employment after a period of dullness.

H. H. Schutz,
State Statistician, B. A. E.

THE WHEAT SITUATION

Present conditions point to a crop of winter wheat in the United States much larger than last year's production. The condition of the spring wheat crop in the United States is very uneven due to deficient moisture in some parts of the Belt. Prospects are for a European crop of about the same size as last year. However, reserves in the United States are likely to be unusually low when the new crop comes to market and European supplies are becoming small. Reports indicate that considerable imported wheat will be required in Europe before the new crops become available, unless economic pressure or governmental regulations restrict consumption.

World commercial supplies in countries where data are available were estimated by trade agencies at about 225,000,000 bushels on May 1, or about 50,000,000 bushels less than the corresponding figure a year ago. Offerings of native wheat have fallen off in important European countries, and demand for foreign grain has become more active than in recent months. Reports indicate that in many countries the native wheats, which had sold at substantial discounts under imported wheat earlier in the season, have worked closer to the world price level. Trade reports suggest increased substitution of other grains in some countries, and the French Government has recently required an 8 per cent admixture of rye, barley or rice in wheat flour.

The close adjustment of supply to consumers' requirements emphasizes the importance of new crop developments. Reports covering more than 90 per cent of the wheat acreage in the Northern Hemisphere, exclusive of Russia, show a slight increase in acreage over that of last year. It is still too early to forecast production, but conditions in European countries are reported as generally favorable. Conditions are also favorable in Canadian spring wheat territory, according to current reports with sufficient moisture to start the grain in practically the whole area.

Marketing conditions for the new winter wheat crop seem much more like those of two years ago than last year. Last year's export demand was very light since the domestic crop was short and prices were largely above an export basis. This year a winter wheat crop of about 549,000,000 bushels is forecast from the May 1 condition, assuming average variations until harvest, which is about 150,000,000 bushels larger than last year's outturn. This increase is in hard

winter wheat as the forecast for the principal soft winter wheat States indicates a smaller harvest than in 1925. Some new crop hard winter wheat for future shipment has already been sold for export via Gulf ports, and millers in the Northwest and East Central States have been inquiring for new supplies.

In spite of the poor prospects for the soft winter wheat crop, premiums on this class of wheat have declined sharply as recent offerings have been in excess of the slack milling demand. During most of the 1925-26 season this class of wheat has commanded substantial premiums on account of the short supply, and in addition to the offerings in the central western States some soft winter wheat from the Pacific northwest moved to central western markets. Some soft winter wheat flour was shipped to the Southeast through the Panama Canal.

An increased production is expected in the Pacific northwest where an early season may advance the opening of harvest in some sections to the middle of June. Exporters were contracting freely for the new crop wheat late in May. Soft wheat from the Pacific coast, however, seems unlikely to move overland to central western markets during the coming season, since the prices of wheat east of the Rockies promise to be substantially on an export basis.

G. A. Collier,
Grain Market News Service, B. A. E.

THE HOG SITUATION AT THE END OF MAY

The hog market during May reached the highest point for the current crop year, and likewise for six years. The average cost of packer and shipper droves at Chicago the week ending May 22 was \$13.85, compared with \$10.66 the low week the middle of December, and \$11.86 the first week in April, and with \$6.65 in June, 1923, the lowest week since the war. Top light hogs during that week sold at \$14.80, 5 cents above the highest point reached in July, 1925, during the summer peak, and the highest price since 1920. An advance so large in May is rather unusual, never having occurred in 25 years, except during the war years when the rapid advance in all prices tended to obscure normal seasonal price changes.

Hog receipts at 7 leading markets during the first 3 weeks of May were about 12 per cent smaller than last year, and indications are that May receipts will be the smallest for the month in 10 years. The decrease in inspected slaughter, however, during May will probably not show more than a 5 per cent decrease from May last year. This is because of the larger proportion of hogs going direct to packers this year than last.

Hog prices during the next five months, June to October, or until the end of the crop year, will presumably continue on a high level. Supplies during this period will be a major factor in determining the height of this level.

The supply of hogs during these months is indicated as about the same as for the same period last year, but average weights will probably be somewhat heavier and dressing yields higher.

With reduction in storage stocks equivalent to about 1,500,000 hogs and hog slaughter no larger than last year, the total supply of product, allowing for a somewhat increased live weight, will be around 8 per cent smaller during the next 5 months than last year.

The pig surveys of 1925 indicated an inspected slaughter for the crop year, November, 1925, to October, 1926, of about 40,500,000, a reduction of 5,600,000 from the previous crop year. With slaughter to the first of June about 25,700,000, the indicated slaughter for the balance of the crop year June to October, inclusive, is about 14,800,000 compared to 14,900,000 last year. This indication is supported by a study of the past relationship between the winter slaughter November to February and the summer, July to October, which indicates a slaughter during the summer this year of about 11,000,000 compared to 11,184,000 last year.

Storage supplies of products are comparatively light. Total stocks of pork and lard May 1 were the smallest in 11 years with the exception of 1922, and are 260,000,000 pounds, or 27 per cent, less than on May 1 last year. This decrease is equivalent to about 1,500,000 hogs.

Because of the unusual advance of hog prices in May, and the absence of the usual spring advance in the price of corn, the corn-hog ratio at the end of May is near the highest on record. If this should have the effect of increasing greatly the breeding of sows for fall litters in the western part of the Corn Belt as a similar condition did in 1922, the number of brood sows marketed the coming summer would be considerably decreased and the slaughter of hogs would fall below what is above indicated.

The statement in the Agricultural Outlook in February was that the inspected slaughter of hogs for 7 months, November to May, was estimated at around 27,000,000 head. With the May, 1926, slaughter estimated at 95 per cent of May, 1925, this slaughter has only been about 25,700,000.

The estimate in February was based upon the pig survey indications as to the size of the 1925 spring pig crop compared to that of 1924 and upon a study of the factors influencing the market distribution of this crop. This latter study, based upon the 25 years, 1900-1925, indicated that under conditions of last winter the slaughter during the 4 months, November to February, which was 16,031,000, would be a little less than 60 per cent of the 7 months' slaughter, November to May. The percentage turned out to be actually over 62.

Market distribution during the present crop year has probably been somewhat affected by the very unusual price discrimination against heavy hogs that has prevailed since December. The usual winter situation is for heavy hogs to sell at a premium over light weights. The latter part of the past winter heavy hogs sold at discounts running to over 15 per cent under light hogs, the amount of the discount increasing progressively with the weight. This resulted in a situation that above 225 pounds the additional weight brought no great profit above the cost of producing it, even with the prevailing low price of corn. This probably tended to increase the proportion of winter marketings above what would have occurred under normal price conditions.

The statement in the February Outlook also estimated the slaughter from June to October at from 1,500,000 to 2,000,000 less than last year. Present indications are that it will be about the same. The increasingly favorable corn-hog ratio apparently has had the effect of delaying the marketing of fall pigs which normally begin to move in volume in April. It probably also increased the breeding of sows and retention of bred sows for spring farrow this year above the indications of the December 1 pig survey. Both of these factors would tend to decrease the slaughter during the first seven months of the crop year and increase it during the last five months.

C. L. Harlan,

Livestock Statistician, B. A. E.